

REMARKS

New claims 3 and 4 have been added. No new matter has been added. Claims 1-4 remain in the application. Reconsideration and reexamination is respectfully requested.

In the paper dated 11/03/2004, claims 1 and 2 were rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over European Patent Number EP0347934 (Sako). Applicant respectfully traverses.

Claim 1, and new claims 3 and 4, specify data encoded in merge bits. Sako (cited by the applicant) discloses merge bits, the existence of which applicant also discussed in the background section of the application. Sako does not teach or suggest encoding data in the merge bits. The examiner cites Sako page 3, lines 53-58, page 4, lines 1-55, and page 5, lines 1-55. None of the cited text teaches or suggests encoding data in merge bits.

Claim 1 also specifies that the data encoded in merge bits is decryption data. Sako does not teach or suggest decryption data. The examiner asserts that "the voice signals represent the decryption data." There is no support for the examiner's assertion in Sako.

Entry of this amendment is respectfully requested. This application is considered to be in condition for allowance and such action is earnestly solicited.

Respectfully submitted,

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